A third objection was that by the exclusion of foreigners the country would lose all the advantages which would accrue from the investment of foreign capital. But those who upheld this contention forgot that investment of foreign capital also meant exploitation of the country by foreigners. Taking the tea industry in Travancore, as an example, the value of tea exported from the State in 1097 was Rs. 127 lakhs, and in 1101 Rs. 268 lakhs. What little benefit the State derived from the industry was however confined to the export duty on tea. There were also other aspects of the question. Almost all the persons employed in the tea factories were foreigners including the major portion of the coolies. The Kanan Devan Hills Produce Company was an instance in point. All the high officers of the company were Europeans. Even for the transport of goods they had their own foreign agencies. That was the way in which foreign capitalists were improving our land.

DEWANS' REPLY: Mr. Varghese, I have listened for sixteen minutes to flights of rhetoric and phrases full of literary flavour and theories of economics strange to my ears. However we pass over all that. I need merely remind you that this subject has come up once before, and I see no reason to change or abate what I have previously said upon the subject. I just mention two little facts to you now; one is that, in the last two or three years, the one person to whom the largest block of land went was an Indian, a Syrian Christian gentleman. And another fact, which, of course you are perfectly aware of, is that the enormous profits that you refer to at once convey the idea of enormous outlay. You refer in specific terms to the Kanan Devan Hills Produce Company. Let me remind you that the present administration has nothing to do with this assignment; and, even if it so desired it has not the power to revoke formal agreements and contracts entered into forty or fifty years ago. You take great cridit out of your extraordinary generosity for having given lands to outsiders. I need only observe that if you describe it as generosity to allow people to take what you do not want, and did not want, if that is what you call generosity, I shall not question your use of the term.

137. Suggestions for the economic development of the country.

MR. K. C. EAPEN (*Member, Trading Classes, Trivandrum*) first of all thanked the Government for issuing the Statement of Action considerably in advance of the opening of the Assembly this time. In this as well as in the particularity with which replies were given by the President to representations, the member saw clear proof of the earnestness with which Government were applying themselves to the business of the Assembly. As regards the representations themselves, the member observed that unlike in past years, the current year's subjects related, most of them, to matters like the industrial and economic advancement of the country. This change in the angle of vision of the members augured good for the future.

The member had himself chosen economic development as his subject. Under this head he referred first to the abolition of the stamp duty on cheques and drafts and expressed the gratitude of the merchants of Travancore for this benevolent measure of Government. But this year as in previous years he had to make one complaint and that was against the oppression of the income-tax officers. They were still making arbitrary assessments which caused great hardship to the merchants.

He referred next to the State-aided Bank which, in his opinion, was not doing all the good that it could to the other indigenous banks in the State. He hoped that Government would do their best to turn the attention of the Bank in this direction. He also exhorted the Government not to allow the Bank to fall into the hands of interested cliques and factions.

The member also suggested that the banking system of Travancore should be supplemented by the establishment of a few land mortgage banks.

The Economic Development Board, of which the member had a fairly long experience, required, he said, a new life. The work of the Board might be made more fruitful by the periodical holding of economic conferences as they were doing in Mysore.

Rural reconstruction was the next topic taken up by the member. Back to the village, back to agriculture and back to trade, these, he said, would alone remedy the present unemployment among the educated young men of the country. Communal representation and Government service were mere phantoms. Government

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should themselves turn the attention of the people from the pursuit of these phantoms. They should themselves commence the work of village reconstruction. The Co-operative Department could do a lot in this direction. Co-operation and co-operation alone would prove an effective remedy to all the present-day ills. Village Panchayats should be established in all villages. Cottage industries should be developed, and agricultural associations should be organised.

In conclusion, the member referred to the extension of the railway to North Travancore. The people of North Travancore were looking forward with great eagerness to the opening of the Quilon-Ernacolam railway. The member requested that the question should be taken up without delay.

DEWAN'S REPLY : Mr. Eapen, I am always pleased to listen to your representations because like another member of your family who speaks in another house, you always display a practical and a shrewd mind which it is extremely refreshing and stimulating to come across. You refer to the question of the Development Board and you are not the only one who has of late spoken to me on the subject. One other gentleman is the Director of Agriculture who presides over the Board. Like you, he too finds it a depressing body and holds the view that it must either be mended or ended. I think it is a great self-sacrifice on his part but nobody knows the weakness of the machine so well as the engineer who is driving it.

You refer to the Co-operative Department and you imply that by co-operation and co-operation alone can peace and amity and industrial and agricultural regeneration be possible. Co-operation is the life-blood of all this, I entirely agree. I am quite sure that there still exists in Travancore in several places survivals of the ancient spirit of co-operation. I believe in out-of-the-way corners in Travancore to this day the whole country side joins on a particular date, I think it is on the 9th Meenam, in sowing paddy in the "big field." To this day the whole of the neighbourhood collects and works without wage for the thatching of houses. And Karayogams. They are nowadays confined to communal and possibly religious requirements. I say in all these there is the possibility of going back to the ancient system of co-operation and mutual help. It is in the development of these that the regeneration of Travancore lies. By referring to these you have sown a seed which let us hope will take root.

You have referred to the State-aided Bank and to the encouragement of indigenous banking institutions. As you know, the Government control over the State-aided Bank is very slender. The aim of the framers of its constitution was to make it a free institution within limits. Nevertheless, it is my hope that the State-aided Bank will become the heart of the banking system in Travancore, vivifying and stimulating and keeping active the indigenous banking system of the State. There is no reason at all why an enlightened body of Directors looking eagerly to the welfare of the banks in Travancore should fail to evolve the happy result that you and I dream of.

The Land Mortgage Bank furnishes a very difficult problem. In so many places and so often Land Mortgage Banks have proved complete failures. In some countries they have shown unsatisfactory results. The question has to be considered otherwise than from the point of view of a stroke of the pen.

You refer to the troubles merchants suffer from the income-tax assessors. You refer to it as an oppression. In reality it is not an oppression. It is only the mechanical ways of initial assessment. All the world over there is a longstanding feud between the income tax payer and the income tax collector. I suppose this will go on to the end of time. The Government try to get as much as it can and the individual strives to retain as much as he can.

In regard to the railway, I have heard all that you have said and as you understand at the moment we are pre-occupied with the present extension of the railway to Tampanur.

The Assembly adjourned at 4-30 P. M. to meet again at 11-30 A. M. on Wednesday, the 7th March 1928.

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